

City of Detroit



Downtown Development Authority  
500 Griswold • Suite 2200  
Detroit, Michigan 48226  
Phone: 313 963 2940  
Fax: 313 963 8839

CODE DDA 17-09-02-600

**APPROVAL OF MINUTES OF SEPTEMBER 13, 2017**

RESOLVED, that the minutes of the Regular meeting of September 13, 2017 are hereby approved and all actions taken by the Directors present at such meeting, as set forth in such minutes, are hereby in all respects ratified and approved as actions of the Downtown Development Authority.

September 27, 2017

City of Detroit



**Downtown Development Authority**

500 Griswold, Suite 2200, 22<sup>nd</sup> Floor

Detroit, Michigan 48226

Phone: 313 963 2940

Fax: 313 963 8839

**DOWNTOWN DEVELOPMENT AUTHORITY  
BOARD OF DIRECTORS REGULAR MEETING  
WEDNESDAY, SEPTEMBER 13, 2017 – 3:00 P.M.**

**BOARD MEMBERS PRESENT:**

Charles Beckham  
Austin Black  
Ehrlich Crain  
Sonya Delley  
Melvin Hollowell  
Richard Hosey  
James Jenkins  
Thomas Lewand (Mayor's Representative)  
John Naglick  
Steve Ogden

**BOARD MEMBERS ABSENT:**

Marvin Beatty  
David Blaszkiewicz  
David Massaron

**OTHERS PRESENT:**

Scott Brockert (Barton Mallow)  
Gary Brown (DDA)  
John Gallagher (Detroit Free Press)  
Jozef Guzewicz (Bedrock)  
Gay Hilger (DEGC/DDA)  
Malinda Jensen (DEGC/DDA)  
Jennifer Kanalos (DEGC/DDA)  
John Lauve (Public)  
Glen Long (DEGC/DDA)  
Rebecca Navin (DEGC/DDA)  
Kirk Pinho (Crain's)  
Vic Skelly (WDIV)  
S. Trombley (WXYZ)  
James Witherspoon (Bedrock)

City of Detroit



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**MINUTES OF THE DOWNTOWN DEVELOPMENT AUTHORITY  
BOARD OF DIRECTORS REGULAR MEETING  
WEDNESDAY, SEPTEMBER 13, 2017  
DETROIT ECONOMIC GROWTH CORPORATION  
500 GRISWOLD STREET, SUITE 2200 – 3:00 P.M.**

**GENERAL**

**Call to Order**

Noting that a quorum was present, Mr. Lewand, the Mayor's Representative and Acting Chair, called the Regular meeting of the Downtown Development Authority Board of Directors to order at 3:02 p.m.

**Approval of Minutes**

Mr. Lewand questioned whether there were any additions, deletions or corrections to the minutes of the July 26, 2017 Regular Board meeting. Hearing none, the Board took the following action:

On a motion by Mr. Hollowell, seconded by Mr. Crain, Resolution Code DDA 17-09-02-599 was unanimously approved.

**Receipt of Treasurer's Report**

Mr. Naglick reviewed the Treasurer's Report of Receipts and Disbursements for the month of July, 2017 for the benefit of the Board and responded to questions.

Subsequent to the discussion, the Board took the following action:

On a motion by Mr. Hollowell, seconded by Mr. Jenkins, Resolution Code DDA 17-09-03-474 was unanimously approved.

Mr. Lewand and the Board congratulated Mr. Long and Ms. Navin for their excellent work on getting the bonds for the events center closed.

**PROJECTS**

**Hudson's Block Presentation (For Information Only)**

Mr. Lewand informed the Board members that the agenda had been revised and there would be an informational presentation by Bedrock on the Hudson's Block development.

Ms. Navin reported that as the Board will recall, earlier this year the Bedrock folks came in and gave a presentation on the Hudson's Block development. Under the development agreement the DDA has with Roscoe Development Company, they have a right to update the development plan from time to time as long as it meets certain minimum requirements, so they have an updated development plan and they wanted to take this opportunity to update the Board on the Plan.

Mr. Jozef Guziewicz, and Mr. James Witherspoon presented the updated development plan for the Board's information and responded to questions.

Mr. Crain requested that they come back at some point in the future with their plans to utilize Detroit businesses, Detroit residents, what the outreach may be, how to get some smaller businesses included and involved.

Mr. Guziewicz responded that Dan Gilbert is very committed to including Detroiters. The first outreach event will be in the next three weeks or so and there will be huge efforts put forward on engaging the public, whether it be the actual workers on site or the businesses. It is a top priority.

Mr. Lewand requested a presentation on this and also the Randolph Center in the future because we are trying to get more people into the trades.

**Events Center Project – Approval of Subcontract Change Orders:**

- **Midwest Steel, Motor City Electric, CIMCO / Athletica, PCP / TB Joint Venture, Johnson Controls, Parsons Technology**

Ms. Kanalos disclosed that her husband, Kevin, works for Cristman Constructors, one of the contractors included in this change order. He is not working on the event center, and, as the Board knows, she does not have anything to do with any of the approvals of this Board. Mr. Lewand thanked Ms. Kanalos for her candor.

Mr. Brown reviewed the following change orders that were requested by Olympia Development to some contracts that were previously approved by this Board:

**Item A. BMHW Change Order Requests**

Olympia Development Management, LLC (ODM) has submitted the following subcontract Change Order Requests (CORs) to existing Board approved subcontracts which exceed \$500,000.00 and the Board's approval for ODM to execute corresponding change orders to the general contract between ODM and Barton Malow Hunt White (BMHW) incorporating the following CORs:

**1. Midwest Steel – Arena Structural Steel - A Detroit Headquartered Business**

Base Contract – BP#3B.01 - \$50,676,641.00 approved by DDA Reso Code 15-04-123-21 4/22/15

Total of Change Order Requests \$3,460,728.00

- a. **COR #32 (CCD-03) - Structural Steel Framing Changes \$859,260.00**  
Changes include pit depression revisions, reduction of perimeter wall in sector N, increases in structural steel member sizes, added steel on metal decking in various locations, built up slab added at Gondolas, added horizontal concrete reinforcement at penthouses, substantial rigging platform changes and catwalk paint changes.
- b. **COR #108 (CCD-11) – Practice Ice Details / Club Level Mezz Storage Slab \$648,660.00**  
Issued to add Club Level storage space, continued Practice Ice structural framing, and update owners parking.
- c. **COR #243 (CCD 044) – Pedestrian walkway revisions to the Arena: \$765,102.00**  
A/E design refinement including but not limited to revisions to slab edge beam shear studs related to pedestrian walkway framing
- d. **COR #282 REV (PCO 139) – CCD13 - Elevator Coordination Adjust \$626,787.00**

Costs incorporate drafting/design time changes for steel fabrication and the installation of metal deck and studs, added elevator guide rail posts, and divider and hoist beams. All surveying, rentals and labor costs included

- e. **COR #392 (CCD 041.1) Includes CCD 40,41,41.1& 41.2 - Truss Upgrades for Tension Grid: \$560,919.00**

Incorporates revisions to catwalks and super-truss bottom chord framing to accommodate modifications to rigging loading criteria and the inclusion of a metal mesh ceiling / access platform. Included to provide safe/unrestrained access for rigging staff

## **2. Motor City Electric Company** Arena Electrical Work - *A Detroit Headquartered Business*

Base Contract – BP#3C.01 \$20,372,000.00 approved by DDA Reso Code 16-03-58-29  
3/16/2016

SCO# 1 Early Equipment Purchase \$16,406,132.00 DDA Reso Code 15-11-123-27  
12/21/2015 100%

SCO#5 Targeted Balance of Work - \$ 35,914,318.00 DDA Reso Code 16-04-123-31  
4/4/2016

Total of Change Order Requests - \$18,093,518.00

- a. **COR #600 REV (CCD 080) - Piazza Modifications - power & lighting at sidewalks, light pole \$946,110.00**  
Installation of nine (9) additional poles, coordinating fixtures and controllers. Nine (9) controller housing boxes, five (5) planter box fixtures, and the completion of the utility services in the Piazza including the power / circulating of lighting at sidewalks around the site to facilitate sponsorship design criteria.
- a. **COR #628 (CCD 94.2) - Tension Grid Lighting Update (Arena): \$7,398,043.00**  
Changes issued for the inclusion of controls and lighting across the tension grid.
- b. **COR #645 (PCO 1116) -, Premium time allowance \$2,000,000.00**  
MCE reimbursement of premium time and overtime spent to date along with four months of projected overtime and premium time to be spent
- c. **COR #736 (PCO 1278) – Delivery, storage, testing and install of tv's: \$1,022,978.00**  
MCE costs for the coordination of delivery, storage, and handling of 1,150 televisions. Pricing also includes bench testing and labeling of all televisions, providing ceiling supports for 152 locations, the purchase and install of all associated brackets and the installation of 1,150 owner furnished televisions including all necessary equipment rentals.
- d. **COR #823 (PCO 603) – CCD 130 – IC Dimming Package: \$583,652.00**  
MCE changes issued to add lighting control user interfaces for front of house venues and the modification of lighting control panel locations/quantities. Changes also incorporate emergency/egress circuit coordination.
- f. **COR #979 (PCO 1774) – DAS Fiber Backbone: \$578,069.00**  
Changes issued for the installation of fiber, provide and install raceway (to cable tray or accessible ceiling) to support the DAS fiber backbone and provide and install power to twenty (20) MAU's.
- g. **COR #1264 (PCO 848) – CCD 54.5 – Food Service Rough in Clarifications: \$720,062.00**  
Includes power to DW, Waste, CW, NG & final connections from CCD 54.0-54.5.
- h. **COR #1276 (PCO 1658) – CCD 203 – Box sizes and cabling updates: \$668,165.00.00**  
MCE pricing includes the addition of Data cabling, raceways to JBx locations and ten (10) new JBx boxes. Revisions to broadcast boxes, cabling and panel layouts to maximize space utilization in boxes and resolve excessive panel space consumption. Revision of NHL cabling schedule per recent NHL installations
- i. **COR #1359 (PCO 2040) Change from riser 6A to plenum per AHJ: \$631,653.00.00**  
MCE pricing to change from riser rated cable back to plenum rated cables based upon the local Authority Having Jurisdiction (AHJ) and the site installation conditions indicating plenum type cables are required.
- j. **COR #1439 (PCO 1116) – Premium/Overtime: \$3,500,000.00**  
MCE pricing for the reimbursement of Motor City Electric's premium and overtime spent from December 3<sup>rd</sup>. 2016 to June 3<sup>rd</sup>. 2017 along with three months of projected overtime and premium time to be spent.
- k. **COR #1441 (PCO 1597) – iPad Docking Station: \$622,855.00**

MCE pricing includes providing, installing iPad Docking/Charging Station in each of the sixty-two (62) suites. Costs also include raceways and data cabling, purchasing of the sports/aisle lighting controls only and permit and inspections fees.

3. **CIMCO / Athletica** Arena Ice Rink Systems - *a specialty equipment provider*  
Base Contract – BP#4.03 \$3,656,675.00 approved by DDA Reso Code 16-01-123-28  
1/27/2016  
Total of Change Order Requests - \$1,983,411.00
  - a. **COR #206 (BP4.03)** - added to base contract Dasher Boards & Protective Netting:  
\$1,983,411.00  
DRW requested change order to select Athletica for the provision of electric retractable protective netting at both the main and practice ice, permanent mount protective netting for two ends and side extensions for the practice ice, dasher board system, player benches and official/penalty boxes at both the main and practice ice.
4. **PCP - TB LLC Joint Venture** Arena drywall partitions, ceilings, door installation  
Base Contract – BP#4.12 \$20,372,000.00 approved by DDA Reso Code 16-03-58-29  
3/16/201  
Total of Change Order Requests - \$1,845,097.00
  - a. **COR #556 (PCO 916)** – Conversion to Cost Plus Fee: \$1,845,097.00  
Conversion to Cost Plus Fee in order to work with construction managers schedule format.
5. **MSL – Limbach Joint Venture** Plumbing & Mechanical Work  
Base Contract – BP#3C.02,03 \$831,585.00 approved by DDA Reso Code 15-11-123-27  
12/21/2015 21%  
SCO#1 Early Equipment Purchase \$16,804,397.00 DDA Reso Code 15-11-123-27  
12/21/2015  
SCO#2 Targeted Balance of Work - \$ 75,827,721.00 DDA Reso Code 16-04-123-31  
4/4/2016  
Total of Change Order Requests - \$ 4,709,305.00
  - a. **COR #833 REV (PCO 506)** – CCD 094.1 – Addition of Tension Grid: \$1,051,741.00  
Impact on the production of MSL/Limbach's bowl duct installation, decreased productivity by VentCon as well as additional crane costs due to installing duct work over the added tension grid.
  - b. **COR #846 (PCO 641)** – CCD 143 – Bowl Duct Sock Revision: \$1,173,304.00  
The available space between truss members was reduced from what was presumed, based on the differences between the structural design model and the project fabrication model (upsized members, addition of plate connections). MSL Limbach pricing includes the revision, re-coordination and install of bowl ductwork as required. Costs also include 3D coordination supervision, clean-up, bond premium, permit and hoisting/rigging equipment.
  - c. **COR #1264 (PCO 848)** – CCD 54.5 – FS Plumbing Rough in Clarifications: \$1,242,667.00  
The addition of plumbing work associated with Food Service changes. Additional work includes the furnish and install of plumbing work (DW, Waste, CW, NG and final connections) from CCD 54.0-54.5.
  - d. **COR #1471 (PCO 1597)** – MSL Limbach Field Overtime: \$1,241,593.00  
Overtime and shift work premium only and inefficiency based on 6x8 work schedule.
6. **Christman Constructors** - Arena Millwork & Casework  
Base Contract – BP# 4.18 \$7,850,350.00 approved by DDA Reso Code 15-11-123-27  
12/21/2015  
Total of Change Order Requests - \$1,956,939.00
  - a. **COR #1449 (PCO 1604)** – CCD 207 – Upper Concourse Cladding: \$690,078.00  
Exchange cladding material for the Upper Concourse/endline concession and bar structures. Christman Constructors pricing includes providing and installing MTL-21 and PL-16 and all bond / insurance.
  - b. **COR #812 (PCO 458)** – CCD 087 – Primary Arena Roof System: \$569,064.00  
Costs incurred to change the primary Arena roofing material from a thermoplastic polyolefin (TPO) roofing system to a SBS roofing system including all necessary modifications/additions of nailers, flashing, insulation stops etc.
  - c. **COR #819 REV (PCO 1312)** – BP4.18 Add WS-01 wall paneling: \$697,797.00

Costs for the purchase and installation of wall paneling WS-1 in the East Club. The panels were a miss in the Millwork subcontract purchase.

**7. Johnson Controls, Inc.** Project Wide Integrated Mechanical System Controls  
Base Contract – BP# 4.02 \$5,176,294.00 approved by DDA Reso Code 16-04-123-31  
4/13/2016

Total of Change Order Requests - \$577,410.00

- a. **COR #1316 (PCO 842)** – CCD 175 – Misc Controls Updates: \$577,410.00  
Add bowl smoke dampers.

**8. Parsons Electric LLC** Integrated Audio Video Systems

Base Contract – BP#9.01 \$4,565,688.00 approved by DDA Reso Code 17-01-123-47

Total of Change Order Requests - \$604,019.00

- a. **COR #1415 (PCO 1698)** – CCD 211 – Main Arena Speaker Adjustments: \$604,019.00  
Provide and install six (6) main array down fill speakers, cabling from speakers to amp room (including terminal blocks as required), one (1) DSP and three (3) amps in amp room and one (1) custom PDU. Pricing also includes the re-design and build of array cluster frame, update and re-submittal of rigging drawings, programming, test and commissioning.

Mr. Brown advised that the 4.1c Committee members met and reviewed in detail the Change Order Requests in a meeting on September 7, 2017 and requested that the Committee Chair, Mr. Hollowell report on the Committee's findings.

Mr. Hollowell stated that they looked at this based on a different type of bidding because they were operating under very significant time pressures. When you look at the ratio of the amount of the change order versus the original amount of the contract, they jump off the page. For example, Motor City Electric on the electrical work where you had a base contract of \$20,372,000 and then a change order request of almost \$18 million, which is almost the amount of the contract. The Committee went through these and the numbers require explanation. Why did they get so out of whack on these? There is timing, guesstimates and they had to work quickly. The Committee felt they needed to raise these questions and get an explanation on the questions.

Mr. Lewand said that if the committee has not fully vetted the proposed change orders to its complete satisfaction, he would like to defer until such time as he could get a complete analysis on a contract that jumps that much and an analysis of its impact on Detroiters in particular, as employees and as business owners.

Mr. Hollowell stated that he would like to defer to the Committee members that were at the meeting—Mr. Jenkins and Mr. Crain. Mr. Jenkins agreed with Mr. Lewand and stated that he would like it to be brought back to the Committee.

Mr. Hollowell informed that the numbers may very well be justified, but the ratio is abnormal.

Mr. Crain added that there was another concern by the Committee. Both Motor City and MSL – Limbach were procured under a different process—a design build assist—which the Committee vetted and approved, and subsequently monitored. In the case of Motor City Electric, they are a Detroit headquartered firm and have had a significant amount of Detroit based and Detroit headquartered utilization at the sub-contract level as well. The MSL Limbach contract had a lower threshold for a goal and an update on their procurement processes to meet that goal and/or exceed it is needed.

Mr. Lewand stated that a complete and thorough detailed report from Heritage is needed and they should be involved in discussions with the Committee.

Mr. Ogden requested that when this comes back to the Board, that the responses to the questions that were raised be in writing.

Mr. Hosey said that it would be helpful to have an understanding of how the costs are covered.

Mr. Lewand replied that it is his understanding that the Ilitches just write a check. They have a side agreement with Gore's team and, between the two teams, they are covering all cost overruns. DDA is not spending any more money. Mr. Brown said that all of the items here exceed the bonds.

Mr. Naglick added that the Board should recognize and feel comfortable with the fact that the total value of the asset will be on DDA's books.

Mr. Lewand called for a motion to defer this item.

On a motion by Mr. Hollowell, seconded by Mr. Crain, Resolution Code DDA 17-09-123-54 was tabled,

**Events Center Project: Approval of Subcontract Change Orders—**

- **Barton Malow, Midwest Steel, Motor City Electric, StageRight, MOD Interiors, KONE, MSL/Limbach, Daktronics, Tooles, PCP/TB Joint Venture**

Mr. Lewand advised that this item will also be deferred.

On a motion by Mr. Hollowell, seconded by Mr. Crain, Resolution Code DDA 17-09-123-55 was tabled,

**ADMINISTRATION**

**PUBLIC COMMENT**

Mr. Lewand called for public comment and stated that two minutes would be given.

Mr. John Lauve of Holly, Michigan stated the following:

"The kids have been cheated out of their tickets for years and this needs to be concluded and resolved. I gave you a letter that needs to be sent to the Ilitch clan stating that they are in default and they have 45 days to shape up. This reflects on your ability to manage this thing because you haven't done it and we are at the end of the season. I know they don't want to see a losing team but still, that is their obligation. It is not some dream that I dreamed up. They passed out at the last meeting this letter from the school saying they got wonderful help from the Tigers. I called the number on the paper and they were disconnected—the guy didn't work there anymore. I would be willing to take that job on.

The second thing is, it is good to see what Gilbert is doing. He is doing the right thing for the city. Here is what we have from Ilitch. This was 2005. Forget it. We don't want to bother with this one. Forget this one. Forget this promise. They were going to fix these buildings up. Forget this, they've got a scaffolding around the building collecting debris. Oh, here is the Masonic Temple and they own this piece of relic right next to it. Oh, these guys pay taxes. Ilitch doesn't pay taxes so forget that. Here is the one he wanted to tear down and the City Council stopped this right across the street. What did he want to do? He wanted to do his development plan for the catalyst. What was his development plan? Demolish it and make a parking lot. That is all they are creating down here. Here is the plan that was for the Wayne State but it kind of changed all of a sudden. That is what it is supposed to look like. Here is what it looks like. And they have an obligation to come up with development plans by December."

Mr. Lewand advised Mr. Lauve that his time was up and thanked him for his comments.

**OTHER MATTERS**

## **ADJOURNMENT**

With there being no other business to be brought before the Board, Mr. Lewand adjourned the meeting at 3:57 p.m.

April 17, 2017

To  
From  
Subj

Tigers

DDA

Written Notice of Default  
Per Art 13.1(a) CMA Lease  
Violation of Article 21.2  
"children tickets"

Per Art 13.1(a)

① Specific Failure

50,000 tickets have not  
been provided as obligated.  
The tickets are ONLY  
for children!

they are "to ENABLE them  
to attend" and therefore  
MUST include transport,  
parking & supervision.

These costs can't be imposed  
on families that are unable to  
absorb that cost.

② Written request for remedy.

Need date of the first game in compliance for a greeting by officials.

Require an average of 600 kids per game to meet totals.

No tickets for Adults included in count.

Eligible kids  
on "free school lunch" list  
Age 8-16 yrs

Transport arranged by Tiger  
Supervision " & controlled by "

Longer delay will require larger per game attendance

Payment for prior year violations.

②

cc.

not

Sept 13, 2017

All <sup>"Tiger"</sup> DONATION  
Program "tickets"

DON'T Qualify  
to Lease obligation  
as <sup>"</sup>Children of  
LOW Income Families  
to ENABLE  
them to Attend TIGER event

They owe Detroit \$!

Mr. Lane

## DETROIT PUBLIC SCHOOLS COMMUNITY DISTRICT

April 13, 2017

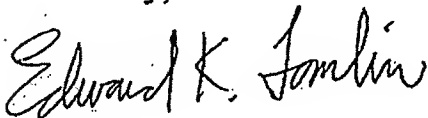
Elaine Lewis  
Vice President Community & Public Affairs  
Detroit Tigers Organization  
2100 Woodward Ave  
Detroit, MI 48201

Dear Mrs. Lewis:

In 2016, Detroit Public Schools Community District received nearly 1,900 tickets for students during April and May from the Detroit Tigers, as part of your Ticket Donation Program. Since the inception of your program in 2003, we have a received a minimum of 1,500 tickets form Opening Day in April through the end of each school year. During the summer months, our students received thousands of tickets through various community and faith-based organizations.

We applaud the Detroit Tigers for your commitment to our students. Your Ticket Donation Program continues to enhance the lives of the Detroit's youth and we look forward to our continued partnership.

Sincerely,



Edward K. Tomlin  
Deputy Executive Director K-8 Athletics  
Detroit Public Schools Community District  
313-320-8002(Cell) - Non Working #  
313-870-5863(Office)

K Chuck Johnson  
No longer @ DPS

Aug 23, 2017

City of Detroit



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CODE DDA 17-09-02-599

APPROVAL OF MINUTES OF JULY 26, 2017

RESOLVED, that the minutes of the Regular meeting of July 26, 2017 are hereby approved and all actions taken by the Directors present at such meeting, as set forth in such minutes, are hereby in all respects ratified and approved as actions of the Downtown Development Authority.

September 13, 2017

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CODE DDA 17-09-03-474

**RECEIPT OF TREASURER'S REPORT FOR JULY 2017**

RESOLVED, that the Treasurer's Report of Receipts and Disbursements for the period ending July 31, 2017, as presented at this meeting, is hereby in all respects received by the Downtown Development Authority.

September 13, 2017